

AMENDED IN ASSEMBLY MAY 7, 2008

AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2003

Introduced by Assembly Member Saldana

February 15, 2008

An act to add Division 16.1 (commencing with Section 26101) to the Public Resources Code, relating to energy, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2003, as amended, Saldana. Energy: Climate Protection and Energy Efficiency Bond Act of 2008.

Existing law provides various funding sources for energy conservation and efficiency projects, renewable energy generation, and related purposes.

This bill, subject to voter approval at the November 4, 2008, statewide general election, would enact the Climate Protection and Energy Efficiency Bond Act of 2008 which, if adopted by the voters, would authorize the issuance and sale of \$2,000,000,000 in state general obligation bonds *for award to public agencies* for specified purposes, including expanding the development and use of solar, wind, and geothermal energy, fuel cells, and other energy generating technologies that would assist the state in meeting the greenhouse gas emission targets specified in the California Global Warming Solutions Act of 2006; low-income weatherization and other energy conservation and efficiency

projects for low-income communities; and projects to improve the energy efficiency of state buildings and facilities and public school and local educational ~~district~~ agency buildings, and to install solar, wind, fuel cells, and other energy generating technologies that will reduce greenhouse gas emissions associated with the operation of those buildings and facilities.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 16.1 (commencing with Section 26101)
2 is added to the Public Resources Code, to read:

3
4 DIVISION 16.1. CLIMATE PROTECTION AND ENERGY
5 EFFICIENCY BOND ACT OF 2008

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 26101. This division shall be known and may be cited as the
10 Climate Protection and Energy Efficiency Bond Act of 2008.

11 26102. As used in this division, the following terms have the
12 following meanings:

13 (a) "Board" means any department receiving an allocation of
14 bond proceeds pursuant to this division.

15 (b) "Commission" means the State Energy Resources
16 Conservation and Development Commission.

17 (c) "Committee" means the Climate Protection and Energy
18 Efficiency Finance Committee created pursuant to Section 26106.

19 (d) "Department" means the Department of General Services.

20 (e) "Fund" means the Climate Protection and Energy Efficiency
21 Fund of 2008 created pursuant to Section 26103.

22
23 CHAPTER 2. CLIMATE PROTECTION AND ENERGY EFFICIENCY
24 FUND AND PROGRAM

25
26 26103. The Climate Protection and Energy Efficiency Fund
27 of 2008 is hereby created in the State Treasury. The proceeds from

the bonds sold pursuant to this division shall be deposited in the fund and shall be available for appropriation by the Legislature, in the manner and for the purposes set forth in this division in accordance with the following schedule:

(a) The sum of one billion dollars (\$1,000,000,000) shall be available to the commission for projects to expand the development and use of solar, wind, and geothermal energy, fuel cells, and other energy generating technologies that assist the state in meeting the greenhouse gas emission targets established in the California Global Warming Solutions Act of 2006, Division 25.5 (commencing with Section 38500) of the Health and Safety Code, as follows:

(1) (A) *The sum of five hundred million dollars (\$500,000,000) shall be available to the commission to foster the development of emerging renewable technologies in distributed generation applications by public agencies.*

(B) *Funds used for emerging technologies pursuant to this section shall be expended in accordance with Chapter 8.6 (commencing with Section 25740) of Division 15, including all of the requirements of subdivision (b) of Section 25744.*

(2) *The sum of five hundred million dollars (\$500,000,000) shall be available to the commission for awards to public agencies in accordance with the Public Interest Research, Development, and Demonstration Program established pursuant to Chapter 7.1 (commencing with Section 25620) of Division 15.*

(b) The sum of five hundred million dollars (\$500,000,000) shall be available for low-income weatherization and other energy conservation and efficiency projects that reduce energy consumption in an economically equitable manner for low-income communities.

(c) ~~The sum of five hundred million dollars (\$500,000,000)~~ *two hundred fifty million dollars (\$250,000,000)* shall be available to the department for projects to improve the energy efficiency of state buildings and facilities ~~and public school and local educational district buildings, and~~ to install, to the maximum extent feasible, solar, wind, fuel cells, or other energy generating technologies that will reduce the greenhouse gas emissions associated with the operation of those buildings and facilities.

(d) *The sum of two hundred fifty million dollars (\$250,000,000) shall be available to the department for projects to improve the*

1 *energy efficiency of public school and local educational agency*
2 *buildings and facilities to install, to the maximum extent feasible,*
3 *solar, wind, fuel cells, or other energy generating technologies*
4 *that will reduce the greenhouse gas emissions associated with the*
5 *operation of those buildings and facilities. The funds available*
6 *pursuant to this subdivision shall be administrated through the*
7 *State Allocation Board.*

8 ~~(d)~~

9 *(e) In prioritizing the projects funded pursuant to this division,*
10 *an agency receiving an allocation of the bond proceeds pursuant*
11 *to this subdivision shall give priority to projects that use technology*
12 *manufactured in California by companies that have their principal*
13 *place of business in California.*

14 *(f) Projects receiving funds awarded pursuant to this division*
15 *shall be prioritized in accordance with the loading order adopted*
16 *in the 2003 Integrated Energy Policy Report that describes the*
17 *priority sequence for action to address increasing energy needs*
18 *in the state.*

19 *(g) Funds made available pursuant to this division shall only*
20 *be awarded to public agencies.*

21 *(h) The board, in consultation with the State Air Resources*
22 *Board, shall evaluate the greenhouse gas emissions reductions*
23 *associated with each proposed project to assure the reductions*
24 *are real, permanent, quantifiable, and verifiable.*

25 *(i) Public agencies receiving funds pursuant to this division*
26 *shall guarantee that the energy savings and greenhouse gas*
27 *emissions reductions associated with a project would last at least*
28 *as long as the term of the bonds issued to finance the project.*

29
30 CHAPTER 3. FISCAL PROVISIONS

31
32 26104. Bonds in the total of two billion dollars
33 (\$2,000,000,000), or so much thereof as is necessary, not including
34 the amount of any refunding bonds, or so much thereof as is
35 necessary, may be issued and sold to provide a fund to be used for
36 carrying out the purposes expressed in this division and to
37 reimburse the General Obligation Bond Expense Revolving Fund
38 pursuant to Section 16724.5 of the Government Code. The bonds,
39 when sold, shall be and constitute a valid and binding obligation
40 of the State of California, and the full faith and credit of the State

1 of California is hereby pledged for the punctual payment of both
2 principal of, and interest on, the bonds as the principal and interest
3 become due and payable.

4 26105. The bonds authorized by this division shall be prepared,
5 executed, issued, sold, paid, and redeemed as provided in the State
6 General Obligation Bond Law (Chapter 4 (commencing with
7 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
8 Code), except subdivision (a) of Section 16727 of the Government
9 Code to the extent that it is inconsistent with this division, and all
10 of the other provisions of that law as amended from time to time
11 apply to the bonds and to this division and are hereby incorporated
12 in this division as though set forth in full in this division.

13 26106. (a) Solely for the purpose of authorizing the issuance
14 and sale pursuant to the State General Obligation Bond Law of
15 the bonds authorized by this division, the Climate Protection and
16 Energy Efficiency Finance Committee is hereby created. For the
17 purposes of this division, the Climate Protection and Energy
18 Efficiency Finance Committee is “the committee” as that term is
19 used in the State General Obligation Bond Law. The committee
20 consists of the Treasurer, the Controller, the Director of Finance,
21 the Chair of the State Energy Resources Conservation and
22 Development Commission, and the Director of General Services,
23 or a designated representative of each of those officials. The
24 Treasurer shall serve as the chairperson of the committee. A
25 majority of the committee may act for the committee.

26 (b) For the purposes of the State General Obligation Bond Law,
27 any department receiving an allocation pursuant to this division
28 is designated to be the “board.”

29 26107. Upon request of the board stating that funds are needed
30 for purposes of this division, the committee shall determine whether
31 or not it is necessary or desirable to issue bonds authorized pursuant
32 to this division in order to carry out the actions specified in Chapter
33 2 (commencing with Section 26103), and, if so, the amount of
34 bonds to be issued and sold. Successive issues of bonds may be
35 authorized and sold to carry out those actions progressively, and
36 it is not necessary that all of the bonds authorized to be issued be
37 sold at any one time.

38 26108. There shall be collected each year in the same manner
39 and at the same time as other state revenue is collected, in addition
40 to the ordinary revenues of the state, a sum in an amount required

1 to pay the principal of, and interest on, the bonds each year. It is
2 the duty of all officers charged by law with any duty in regard to
3 the collection of the revenue to do and perform each and every act
4 that is necessary to collect that additional sum.

5 26109. Notwithstanding Section 13340 of the Government
6 Code, there is hereby appropriated from the General Fund in the
7 State Treasury, for the purposes of this division, an amount that
8 will equal the total of the following:

9 (a) The sum annually necessary to pay the principal of, and
10 interest on, bonds issued and sold pursuant to this division, as the
11 principal and interest become due and payable.

12 (b) The sum necessary to carry out Section 26110, appropriated
13 without regard to fiscal years.

14 26110. For the purpose of carrying out this division, the
15 Director of Finance may authorize the withdrawal from the General
16 Fund of an amount not to exceed the amount of the unsold bonds
17 that have been authorized by the committee to be sold for the
18 purpose of carrying out this division. Any amounts withdrawn
19 shall be deposited in the fund. Any money made available under
20 this section shall be returned to the General Fund, plus the interest
21 the amounts would have earned in the Pooled Money Investment
22 Account, from money received from the sale of bonds for the
23 purposes of carrying out this division.

24 26111. All money deposited in the fund that is derived from
25 premium and accrued interest on bonds sold shall be reserved in
26 the fund and shall be available for transfer to the General Fund as
27 a credit to expenditures for bond interest.

28 26112. Pursuant to Chapter 4 (commencing with Section
29 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
30 the cost of bond issuance shall be paid out of the bond proceeds.
31 These costs shall be shared proportionally by each program funded
32 through this bond act.

33 26113. The board may request the Pooled Money Investment
34 Board to make a loan from the Pooled Money Investment Account,
35 including other authorized forms of interim financing that include,
36 but are not limited to, commercial paper, in accordance with
37 Section 16312 of the Government Code, for purposes of this
38 division. The amount of the request shall not exceed the amount
39 of the unsold bonds that the committee, by resolution, has
40 authorized to be sold for the purpose of this division, less any

1 amount withdrawn pursuant to Section 26103. The board shall
2 execute any documents as required by the Pooled Money
3 Investment Board to obtain and repay the loan. Any amounts
4 loaned shall be deposited in the fund to be allocated in accordance
5 with this division.

6 26114. The bonds may be refunded in accordance with Article
7 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
8 Division 4 of Title 2 of the Government Code, which is a part of
9 the State General Obligation Bond Law. Approval by the voters
10 of the state for the issuance of bonds described in this division
11 includes the approval of issuance of any bonds issued to refund
12 any bonds originally issued under this division or any previously
13 issued refunding bonds.

14 26115. Notwithstanding any other provision of this division,
15 or of the State General Obligation Bond Law, if the Treasurer sells
16 bonds pursuant to this division that include a bond counsel opinion
17 to the effect that the interest on the bonds is excluded from gross
18 income for federal tax purposes, subject to designated conditions,
19 the Treasurer may maintain separate accounts for the investment
20 of bond proceeds and for the investment of earnings on those
21 proceeds. The Treasurer may use or direct the use of those proceeds
22 or earning to pay any rebate, penalty, or other payment required
23 under federal law or take any other action with respect to the
24 investment and use of those bond proceeds required or desirable
25 under federal law to maintain the tax-exempt status of those bonds
26 and to obtain any other advantage under federal law on behalf of
27 the funds of this state.

28 26116. The Legislature hereby finds and declares that,
29 inasmuch as the proceeds from the sale of bonds authorized by
30 this division are not “proceeds of taxes” as that term is used in
31 Article XIII B of the California Constitution, the disbursement of
32 these proceeds is not subject to the limitations imposed by that
33 article.

34 SEC. 2. Section 1 of this act shall take effect only upon the
35 approval by the voters of the Climate Protection and Energy
36 Efficiency Bond Act of 2008, as set forth in Section 1 of this act.

37 SEC. 3. Section 1 of this act shall be submitted to the voters
38 at the November 4, 2008, statewide general election in accordance
39 with provisions of the Government Code and the Elections Code
40 governing the submission of a statewide measure to the voters.

1 SEC. 4. (a) Notwithstanding any other provision of law, all
2 ballots of the election shall have printed thereon and in a square
3 thereof, the words: “Climate Protection and Energy Efficiency
4 Bond Act of 2008,” and in the same square under those words, the
5 following in 8-point type: “This act provides for a bond issue of
6 two billion dollars (\$2,000,000,000) to provide funds for a Climate
7 Protection and Energy Efficiency program.” Opposite the square,
8 there shall be left spaces in which the voters may place a cross in
9 the manner required by law to indicate whether they vote for or
10 against the act.

11 (b) Notwithstanding Sections 13247 and 13281 of the Elections
12 Code, the language in subdivision (a) shall be the only language
13 included in the ballot label for the condensed statement of the
14 ballot title, and the Attorney General shall not supplement, subtract
15 from, or revise that language, except that the Attorney General
16 may include the financial impact summary prepared pursuant to
17 Section 9087 of the Elections Code and Section 88003 of the
18 Government Code.

19 (c) Where the voting in the election is done by means of voting
20 machines used pursuant to law in a manner that carries out the
21 intent of this section, the use of the voting machines and the
22 expression of the voters’ choice by means thereof are in compliance
23 with this section.

24 SEC. 5. This act is an urgency statute necessary for the
25 immediate preservation of the public peace, health, or safety within
26 the meaning of Article IV of the Constitution and shall go into
27 immediate effect. The facts constituting the necessity are:

28 In order for the bond act in Section 1 of this act to be submitted
29 to the voters at the November 4, 2008, statewide general election,
30 it is necessary for this act to take effect immediately.